

MAINE PUBLIC UTILITIES COMMISSION
Investigation of Total Element Long-Run
Incremental Cost (TELRIC) Studies and
Pricing of Unbundled Network Elements

February 12, 2002

Procedural Order

I. BACKGROUND

On January 7, 2002, pursuant to a request from the Commission, Verizon filed four sets of spreadsheets which it believed contained all of the rates proposed in its cost study. Upon review, we noted that one set of rates, interconnection rates (which included the interconnection spreadsheet and lines 586-634 from the UNEs spreadsheet), had not been specifically proposed in this case. Accordingly, neither the Hearing Examiner's Report nor the Commission's February 12, 2002 Order in this case addresses those rates directly.

On January 30, 2002, Verizon filed its Exceptions to the Hearing Examiner's Report. Verizon claimed that the rates contained in the Interconnection spreadsheet were merely composite rates made up of rates which were properly noticed in the case. Verizon attached an updated Interconnection rate spreadsheet which included a column of rates calculated by using the rates and/or methodology proposed in the Hearing Examiner's Report (which have been subsequently adopted by the Commission). In addition, Verizon attached a worksheet which explained how the composite rates were calculated.

II. REQUEST FOR COMMENT

We have reviewed the updated spreadsheets filed by Verizon and find that they do reflect either the rates set by the Commission or use the appropriate methodology used by the Commission to set rates in this proceeding. Thus, we expect it will be appropriate to amend our Order in this case and adopt these rates. Before doing so, however, we believe it is necessary and appropriate to allow any parties to this proceeding to comment on the rates. (A copy of the spreadsheet is attached as Attachment A.)

We are particularly interested in whether any party contests the underlying assumptions made by Verizon in calculating its rates. (These assumptions were outlined in the attachment to Verizon's Exceptions – included in this document as Attachment B). We specifically direct parties' attention to the following questions:

1. For composite rates, are the elements summed together in a sensible manner? (For example, on Attachment B, tab “tandem transit switching,” the rate is the sum of tandem switch usage + tandem trunk port (shared)*2. Is this reasonable?)
2. On Attachment B, tab “uctc,” excel line 22, there is an assumption that 0% of the traffic uses the tandem. Is this reasonable?
3. On Attachment B, tab “utctc,” excel line 6, there is an assumption that 20% of the traffic uses the tandem. Is this reasonable?
4. On Attachment B, tab “stp per msg,” excel line 18, there is an assumption that 40% of the link capacity is used. Is this reasonable? At line 22 there is an assumption of 50% utilization. Is this reasonable? Is it appropriate to apply both the 40% and 50% factors?

We also attach to this Procedural Order as Attachment C a general explanation of the spreadsheet.

Parties should not use their comments in response to this Procedural Order as a motion for reconsideration of the Commission’s February 12, 2002 Order, i.e. parties should not present arguments relating to the Commission’s methodology for setting rates. (Motions for reconsideration of the February 12, 2002 Order will be due 20 days from today – March 4, 2002.)

Comments should be filed on or before February 20, 2002.

BY ORDER OF THE HEARING EXAMINER

Trina M. Bragdon
Hearing Examiner

